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# THE INDUSTRIAL FUTURE OF CANADA

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B. E. WALKER

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# THE INDUSTRIAL FUTURE OF CANADA

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ADDRESS BY B. E. WALKER, AT THE 140TH ANNUAL  
BANQUET OF THE CHAMBER OF COMMERCE OF THE  
STATE OF NEW YORK, 19TH NOVEMBER, 1908.

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As a Canadian, grateful for what I learned during several years spent in New York in the service of the Bank of which I am now the President, I thank the Chamber of Commerce of the State of New York, among the members of which I recognize many old friends, for the graceful compliment they are paying to Canada, and I am also deeply sensible of the very great honour conferred upon myself in being asked to speak for my country on this occasion.

Just about one hundred years ago you had a population of seven million people. To-day in Canada we have a population of seven million people, and yet the first settlements in Nova Scotia and Quebec were made practically at the same time as the first settlements in Massachusetts, New York and Virginia. It is true that nature, except perhaps in New England, presented a much sterner front of opposition to the settler in Canada than in this country, and it is also true that the British races coming to America were bent on securing immediate results from trade and agriculture while the French

were dreaming of vast empire although doing little to secure or to people it ; but the chief reason for the extraordinary difference in the population of the two countries does not lie mainly in these facts, vital as they were. The direct result was that when French Canada passed into the possession of the British there were about forty British colonists in North America to one French colonist, and almost all the British colonists were in that part which eventually became the United States. The important fact, however, was the forming of one nation out of the thirteen colonies, the first great act of federation in the newer parts of the world. The thirteen separated units with their rivalries, even animosities, might have rebelled successfully against Great Britain but they would have given a very different account of themselves had it not been for the great act of federation. In twenty years by the Louisiana purchase you had stretched to the Pacific, this and another event in Canada ending all hope of French Empire in America, and by the middle of the last century you had secured the entire area out of which the present forty-six States have been created. Your new nation had for its leaders in public opinion some of the greatest statesmen America has ever produced, and in that generation when the cry of the French Revolution for liberty and equality was ringing through many countries you opened the doors of a great section of the Temperate Zone to the distressed peoples of Europe.

Immigration may have seemed slow to the new republic at first, but by 1830 there had set in that extraordinary tide of humanity moving steadily in ever-increasing numbers to the United States which, however you may now value it, is not likely to stop.

Turning to my own country, eighty years after you had

commenced your experiment there were five separate struggling colonies east of Lake Superior, each a complete Government in itself. The only attempt at union had been made by Upper and Lower Canada, but this had not been successful. There were on the Pacific coast two colonies, mere remote and somewhat forlorn outposts of the British Empire and not in touch with the eastern colonies. Between, that is from Lake Superior to the coast, lay what has been called the Great Lone Land, those mighty stretches of prairie and mountain which are now attracting the notice of the world, but which were at this time held absolutely beyond the control of the settled Provinces by the Hudson Bay Company.

And if the political difficulties in the way of union were great the geographical difficulties seemed greater. These were the days when you were anxiously examining the reports of the engineers, surveyors and naturalists who had searched your plains and mountains for a route for your first transcontinental railroad. How were we to imagine a connection between Upper Canada and the prairies through what we then thought was a hopeless wilderness of rock north of Lake Superior, and how cross, beyond the prairies, that Province which in derision had been described as a sea of mountains?

But the whole land from the Atlantic to the Pacific was British, and we did not even then lack men with vision who dreamed of a British nation to be made out of what had been saved in North America. As early as 1789 that intrepid opponent of the Hudson Bay Company, Alexander Mackenzie, had made his canoe journey from Montreal to Lake Athabaska, and from there down to Arctic waters and back up the great river which bears his name, and in 1793, after travels in the

Peace River country, he had gone on over the mountains and down the rivers of British Columbia until, reaching the waters of the Pacific, he painted on a rock that, to us, immortal sentence: "Alexander Mackenzie from Canada by land, the twenty-second of July, one thousand seven hundred and ninety three." When in his retirement Sir Alexander Mackenzie wrote his book, he told England to build a trade route through British North America to the Pacific and to take care of her trade on the North Pacific, otherwise Russia and the United States would own the whole coast.

And there were not wanting many others, great citizens such as Joseph Howe, who told his sceptical fellow-countrymen in Nova Scotia in the fifties that some of them would hear the whistle of the locomotive in the Rocky Mountains, and would go to the Pacific from Halifax in five or six days and would some day trade with China and Japan; or travellers like Professor Hind, who also in the fifties presented to eastern eyes the vision of a great city on the Red River where Winnipeg now stands, and who saw in imagination the white cloud of the locomotive as he looked down from the hills upon the beautiful valley of the Qu'Appelle.

There must naturally have been those, also, who thought the racial difficulties quite as great as the political and geographical difficulties. Could we make a British nation with so large an admixture of people of French origin? The Canadians of British descent, many of whom have since learned the French history of their own country from your Parkman, did not know how passionately the Canadian of French descent loves Canada, how proud he is of its wonderfully romantic past, or how thoroughly his thoughtful leaders have recognized that, being cut off forever from France, with which he is now scarcely even in harmony, he confides abso-

lutely in his rights under the British crown for that full measure of civil and religious liberty necessary to his present happiness and his future prosperity. When we considered the other Canadians we found the Highlander in Nova Scotia, in Upper Canada and in isolated spots in the fur-trading west, clinging as he does still in Cape Breton and on the St. Lawrence in Ontario to his Gaelic speech and his Highland customs, until we say that we are more Highland in some parts of Canada than in the hills of Scotland; and the other Canadian Scotchmen who were everywhere and who even now in Ontario need not lose the breadth of accent for want of a fellow Scot to crack a joke with; and the English Canadians also everywhere, particularly in far British Columbia and Vancouver Island; and the Irish and Welsh in lesser numbers; and some of German and other descent but all strongly British in sentiment; and foremost of all the United Empire Loyalists, the descendants of the men who gave up everything for their King and, leaving your land, sought homes in the unbroken forests of Upper Canada and Nova Scotia. Now that their praises have been sung by an American historian I need not hesitate to mention them with honour merely because they differed from the other great-hearted colonists who also took their lives in their hands for what they deemed the best cause.

We had no dark-skinned people or subject races, except the few Indians whom we understood and whose claims we have always respected. After all, this was not bad material out of which to build a nation, and whatever the future might have in store for them, it was a vain imagination to think that they could ever be anything but British. We had watched you keenly and surely often with an envious eye, recognizing the enormous value of your federation, but concluding

that in some details we, if we could do it at all, would do it differently. And so the Fathers met and the plan for the federation of Canada inside the British Empire came about in 1867. We concluded to give certain more or less definite but restricted powers to the Provinces, placing the residuum of power in the federal government, and thus reversing your system. In this way Banking, to which I shall refer, is controlled entirely by the Dominion Government. The British North American Provinces then existing, except Newfoundland, all came into the Confederation within a few years, and in 1870, but not until then, we at last secured the great prairies of the west from the Hudson Bay Company. Under the agreement made when British Columbia came into Confederation we were to build a trans-continental railway connecting the Atlantic with the Pacific, and some of you know the trials and tribulations we experienced before the great enterprise was finished in 1886. Nearly twenty years had elapsed after the Act of Confederation before we were ready to ask the foreigner to come and spy out the land of the West and, if it seemed good, to stay. Settlement was slow at first, but the sons of Ontario farmers and many from the Maritime Provinces began to take up the land, and tales of its wonderful fertility began to receive a tardy acceptance from a critical world. Some of us ventured to say before 1890 that the first great movement of the land seeker into that country would take place in the United States. It seemed that they alone would understand as quickly as our Eastern Canadians the value of the country (and as it now turns out they understand it much better); that at the moment when the pressure of eighty or ninety millions of people caused the price of farm lands to go beyond the possibilities of ownership for the men without capital, and the American farmer, used to owning his land, must in many cases be only a tenant or a

renter, they, the American people of the West, would begin to go into our country. All the forces of nature were on our side, but nature takes her own time. Nature, however, was greatly aided by the high intelligence and great energy of the Hon. Mr. Sifton, one of your guests to-night, who as Minister of the Interior put the facts before your Western people in several campaigns of advertising. The movement has now begun and into the extensive areas represented by our unoccupied lands this great colonizing force will continue to press its way as long as any cheap lands are left. The movement from Great Britain and from European and Asiatic countries is also fully under way, and we have already in a small degree some of the immigration problems which trouble you.

If those here to-night are to understand the responsibilities which fall upon the population already in the country by the coming of the immigrants we must multiply the number of our people by twelve or thirteen in order to make a comparison with your nation of eighty or ninety millions. If we do this we find that our immigration of over 250,000 in the fiscal year 1907-8 is equal in your case to an immigration of about 3,000,000 in one year. No proportionate responsibility, therefore, has ever fallen upon the United States, especially if we consider the exacting demands of the modern immigrant as compared with the land seeker of thirty or forty years ago who trekked with a prairie schooner hundreds of miles into the unknown and did not expect much in the way of immediate comfort. The greatest difficulty in all new settlements is of course transportation and we are building railroads at the rate of a thousand or more miles per annum, equal, relatively to population, to twelve or thirteen thousand miles per annum in the United States, but hardly sufficient for our needs, when considered in respect to the great areas being put under settle-

ment. In the last ten years our railroad mileage has increased from 16,584 in 1898 to 22,452 in 1907. All railroad building in the West is being done by three great companies, and in a few years we shall doubtless have three completely equipped transcontinental railroad systems, truly a remarkable accomplishment for seven or eight million people. Next to transportation, adequate banking is one of the most important requisites. The number of bank branches in Canada is 1,900, in comparison with about 640 ten years ago. Multiplied by twelve this would mean 22,800 banks in the United States, and the fact that we are so abundantly supplied should check somewhat the silly statement, frequently made in the Western States, to the effect that small communities are better served by individual and local banks than by the branches of large banks having their head offices in the monetary centres. The growth in railroads and banking will suggest without further detail how great has been the strain of providing new towns, new schools, churches, teachers, doctors, lawyers, trading people of all classes, the early stages of manufacturing and all the other accessories of civilization. The history of the settlement of your great West shows in a large way what we are doing in a smaller degree.

Statistics are wearying things, especially after dinner, and in any event there is not time enough at my disposal in which to enter upon the various phases of industrialism which have lately shown surprising growth in Canada, arising largely out of this Western settlement. I can, however, indicate this growth in a few words by the figures of our foreign trade. In 1899 our imports were \$149,346,000, our exports \$150,321,000 and our total foreign trade \$299,-667,000. In 1908 our imports were \$341,931,000, our exports \$273,062,000 and our total foreign trade \$614,993,000, a

growth of over 100 per cent. in ten years. For the first five years of the period in question our exports moderately exceeded our imports. For the last five our imports largely exceed our exports. You will understand better than some Europeans that we cannot build railroads and in a general way put a new country in a condition fit for settlement without mortgaging the future. And this may be a good time to say a few words without offence, I hope, regarding the relations of the United States to our foreign trade and also to the foreign buying of our securities by which the difference between our imports and our exports must be met. In the last ten years we have bought from Great Britain to the extent of \$599,047,000, from the United States \$1,430,852,000 and from other countries \$271,436,000, in all \$2,301,335,000. In the same time we have sold to Great Britain to the extent of \$1,174,385,000, to the United States \$747,296,000 and to other countries \$226,545,000, in all \$2,148,226,000. It used to be thought that while nations settle their accounts with bills of exchange and other forms of money, in reality they only exchange goods with each other; and also that if one nation bought from another very largely in excess of its power to pay in goods it must look to the nation it was buying from so largely to buy the securities which must be sold to pay the balance. But apparently we have changed all that. Great Britain takes our products far beyond our purchases from her, and buys our securities as well. You sell us 60 per cent. of our imports, but buy only 35 per cent. of our exports and rarely buy our securities. It is true that we are improving our purchases from England, and that you are improving your purchases from us and even occasionally taking an interest in our securities, but I invite your deepest, most broad-minded and wisest consideration of these most striking figures, and I ask you whether you think it is likely that trading relations

so one-sided can continue forever. Beyond a peradventure if you do not open your doors a little more liberally to us, so that we can more nearly pay you in goods instead of always drawing on London for the purchase price of what she has bought from us in order to pay you, you will leave us no alternative but to keep up our tariff walls until we can create at home almost every manufactured thing you sell us on the one hand, while on the other we seek trade preferably with any nation which takes pay in goods so as to lessen our payment of actual money to you. Believe me, my dear friends, I am bold enough to say these things because some one should say them and because you of all bodies in the United States are the one to which they should be said.

I have already spoken quite too long and I shall trespass further on your patience only for a few minutes. I was particularly requested to say something regarding our banking system, but I have so recently spoken to the American Bankers Association regarding yours that I hesitate to refer to the subject again, further than to add to my remarks at Denver regarding what Alexander Hamilton had tried to do in banking for the United States, the fact that when you threw his system overboard we picked it up and based our first charters largely on the charter of the first United States Bank; and that we have clung to this, building it up to suit our purposes, until we have a system which, whether suitable for other countries or not, admirably serves our purposes both as to the individual and as to the nation as a whole. The difference between the two countries stated in the smallest compass is that instead of about 17,000 individual banks we have 30 banks with 1900 branches, and these banks being few in number, and each large in capital and importance, they

are trusted to manage their own reserves, to issue credit notes, to hold the deposits of the Government—one being selected as the chief banker for all important Government business—and to open branches even in foreign countries, thus developing not only a local but a great international force in the finances and trade of the country.

And now let me set out in a few words some of the reasons why we have faith in the future of Canada. We have a country about the same size as the United States proper, that is without any of its outside possessions. It used to be thought that for all practical purposes much of it was too frigid to be worth anything, just as thirty years ago it used to be thought, even at Washington, that one-third of the United States was too arid or too bad otherwise for settlement. Neither the one statement nor the other is true. What is true is that the world is being startled by cereals grown further and further north, which actually seem to improve in quality the further north you go. The prairie provinces as yet produce only about 200 million bushels of cereals, and I am not going to be so foolish as to estimate what they will yield in the future, but clearly the quantity will eventually be enormous. Once we should have said that our timber was inexhaustible, but now we know that that is true of no country in the world. But this much can be said that, if we are willing to learn the lessons in forestry now being taught in our Universities and in our forestry journals and by the experience of our lumbermen, there is no reason why we should not have most extensive forested areas from which great national wealth can be drawn for all time. We own more fishing waters than any other nation, although too many of our friends wish to fish in them. We have iron, nickel, copper and coal enough to rank with the greatest nations in this respect,

and while we are only about the eighth nation in gold, we begin to look important in silver with the Cobalt camp turning out about \$1,000,000 a month. The intensive farming in Ontario has resulted in our becoming one of the great dairy countries and our importance in breeding horses, cattle and other domestic animals is well known. In manufacturing, while our figures are trifling compared with yours, we are making great strides, partly as the result of the naturally enlarged markets in Canada, but also because we are beginning to seek a share, in some branches of manufactures, in those markets which are open to the world's competition. No one can at present estimate the extent in horse power or the value in money of our water powers, which probably in these respects exceed those of any other nation in the world. We have a land most of which receives at least the average rainfall, with a summer climate almost everywhere which would please the most fastidious and a winter climate which to the native-born at least is a thing of beauty and a joy forever. We share with you the great lakes, and we have at least twelve or fifteen great river systems any of which should be remarkable among the river systems of the world, besides unnumbered smaller lakes and rivers. Finally we are a contented people, with a fine birth-rate, with hardly any illiteracy, loving law and order and insisting on it in every mining camp and on the rudest frontier line. We hope to build up a nation as free as any in the world, with our own peculiar institutions, with a share of some kind in the British Empire, and with relations with your great country which should through the coming ages be of benefit to both nations materially, intellectually and ethically.



